

government, was the cause of serious complaint in the mercantile community and led to much discussion of other methods of meeting the demand for credit. The bank refused to establish branches in the country and their charter prohibited any other strong company from doing so. The very policy of restricting their issues in the autumn of 1796, which the directors regarded as a measure of extreme precaution, intensified the demand for gold by creating a scarcity of currency which led to the withdrawal of gold by depositors. The irritation among the merchants was such that a meeting was held in London Tavern on April 2, 1796, which appointed a committee to devise a plan to restore the circulating medium, if practicable without infringing the monopoly of the bank. Mr. Walter Boyd, an eminent merchant, drew up a report on behalf of the committee, authorizing a board of twenty-five members to be named by Parliament to issue circulating promissory notes upon deposits of coin, bank-bills, and commercial paper.<sup>1</sup> The committee were persuaded by the Chancellor of the Exchequer to delay action and nothing ever came of their plan, but it was the opinion of Mr. . Boyd that the public stocks suffered as well as commercial paper by the scarcity of currency and the necessity of forced sales of securities to obtain it. Sir William Pulteney, during the debate on the bill authorizing the suspension of cash payments, asked leave to bring in a bill for another bank if the Bank of England did not resume on June 24, 1797, as was then proposed. The proposition was defeated at the time but gained such strength within the next two years that public meetings were held and pamphlets written in its support. The bank directors became alarmed, and as government was still pressing for money, they offered £3,000,000 without interest for six years as the price of a renewal of the charter. Mr. Pitt accepted the terms and passed a bill in 1800 extending the monopoly of the bank for twenty-one years after 1812, or until 1833.

<sup>1</sup> MacLeod, *Theory and Practice of Banking*, I., 523.